

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 441 - SB 859

February 27, 2017

SUMMARY OF BILL: Authorizes changes to the Basic Education Program (BEP), beginning in FY17-18, such that BEP funding includes an amount sufficient to pay first-year teachers \$500 for instructional supplies.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures –

\$690,600/FY17-18/Permissive

Exceeds \$690,600/FY18-19 and Subsequent Years/Permissive

Assumptions:

- In FY16-17, there were 4,604 first-year teachers in the state.
- Currently, the BEP provides \$200 per teacher for supplies from local funding sources.
- The additional \$300 to first-year teachers will come from local sources as well.
- Local education agencies (LEAs) can meet the provisions of the bill by either (1) increasing the total shares of local funding to their respective schools; or (2) repurposing current funding.
- Assuming that 50 percent of LEAs elect to increase their local funding share to cover the additional \$300 to first-year teachers, the permissive increase in local government expenditures is estimated to be \$690,600 (\$300 increase x 4,604 first-year teachers x 50.0% of LEAs electing) in FY17-18.
- Based on information from the Bureau of Labor Statistics' Occupational Handbook, the number of first-year teachers is expected to increase over the next decade. As a result, the permissive recurring increase in local expenditures is estimated to exceed \$690,600 in FY18-19 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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